Impact of President's Jobs Creation and Growth Package on Alabama State Revenues
(February 21, 2003)

By raising economic growth in Alabama, the President's Jobs and Growth Initiative will raise Alabama's state tax revenues by about $40 million in 2003 and $72 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Alabama's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Alabama state revenue (individual income and sales taxes) rise by 1.1 percent.
- Given Alabama's current tax base, the President's growth package can be expected to increase Alabama state revenues (individual income and sales taxes) by roughly $40 million in 2003 and $72 million in 2004.

The dividend exclusion and expensing provisions could reduce Alabama state tax revenues by about $23 million in 2003 and $24 million in 2004.

- Currently, Arkansas's individual income tax system includes dividend income in the calculation of state adjusted gross income.
- According to Federal tax return data, Alabama residents are expected to report about $669 million in company stock dividends in 2003 and $720 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 2.9 percent, Alabama state revenues could fall by about $20 million in 2003 and $21 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $3 million in revenue losses in each year, bringing the total losses to $23 million in 2003 and $24 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Arizona State Revenues
(February 21, 2003)

By raising economic growth in Arizona, the President's Jobs and Growth Initiative will raise Arizona's state tax revenues by about $70 million in 2003 and $127 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Arizona's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Arizona state revenue (individual income and sales taxes) rise by 1.1 percent.
- Given Arizona's current tax base, the President's growth package can be expected to increase Arizona state revenues (individual income and sales taxes) by roughly $70 million in 2003 and $127 million in 2004.

The dividend exclusion and expensing provisions would reduce Arizona state tax revenues by about $57 million in 2003 and $61 million in 2004.

- Currently, Arizona's individual income tax system "couples" to Federal adjusted gross income.
- According to Federal tax return data, Arizona residents are expected to report about $1.2 billion in company stock dividends in 2003 and $1.3 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 4.1 percent, Arizona state revenues would fall by about $52 million in 2003 and $56 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $5 million in revenue losses in each year, bringing the total losses to $57 million in 2003 and $61 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Arkansas State Revenues
(February 21, 2003)

By raising economic growth in Arkansas, the President's Jobs and Growth Initiative will raise Arkansas's state tax revenues by about $38 million in 2003 and $68 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Arkansas's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Arkansas state revenue (individual income and sales taxes) rise by 1.1 percent.
- Given Arkansas's current tax base, the President's growth package can be expected to increase Arkansas state revenues (individual income and sales taxes) by roughly $38 million in 2003 and $68 million in 2004.

The dividend exclusion and expensing provisions could reduce Arkansas state tax revenues by about $38 million in 2003 and $40 million in 2004.

- Currently, Arkansas's individual income tax system includes dividend income in the calculation of state adjusted gross income.
- According to Federal tax return data, Arkansas residents are expected to report about $535 million in company stock dividends in 2003 and $576 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 6.6 percent, Arkansas state revenues could fall by about $36 million in 2003 and $38 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $2 million in revenue losses in each year, bringing the total losses to $38 million in 2003 and $40 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on California State Revenues
(February 21, 2003)

By raising economic growth in California, the President's Jobs and Growth Initiative will raise California's state tax revenues by about $1.0 billion in 2003 and $1.9 billion in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that California's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, California state revenue (individual income and sales taxes) rise by 1.5 percent.
- Given California's current tax base, the President's growth package can be expected to increase California state revenues (individual income and sales taxes) by roughly $1.0 billion in 2003 and $1.9 billion in 2004.

The dividend exclusion and expensing provisions would reduce California state tax revenues by about $910 million in 2003 and $975 million in 2004.

- Currently, California's individual income tax system "couples" to Federal adjusted gross income.
- According to Federal tax return data, California residents are expected to report about $12.1 billion in company stock dividends in 2003 and $13.0 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 7.0 percent, California state revenues would fall by about $845 million in 2003 and $910 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $65 million in revenue losses in each year, bringing the total losses to $910 million in 2003 and $975 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President’s Jobs Creation and Growth Package on Colorado State Revenues
(February 21, 2003)

By raising economic growth in Colorado, the President’s Jobs and Growth Initiative will raise Colorado’s state tax revenues by about $66 million in 2003 and $119 million in 2004.

- The President’s plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Colorado’s GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Colorado state revenue (individual income and sales taxes) rise by 1.1 percent.
- Given Colorado’s current tax base, the President’s growth package can be expected to increase Colorado state revenues (individual income and sales taxes) by roughly $66 million in 2003 and $119 million in 2004.

The dividend exclusion and expensing provisions would reduce Colorado state tax revenues by about $56 million in 2003 and $60 million in 2004.

- Currently, Colorado’s individual income tax system “couples” to Federal taxable income.
- According to Federal tax return data, Colorado residents are expected to report about $1.3 billion in company stock dividends in 2003 and $1.4 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 4.1 percent, Colorado state revenues would fall by about $52 million in 2003 and $56 million in 2004.
- Expensing provisions for small businesses in the President’s plan add another $4 million in revenue losses in each year, bringing the total losses to $56 million in 2003 and $60 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Connecticut State Revenues
(February 21, 2003)

By raising economic growth in Connecticut, the President's Jobs and Growth Initiative will raise Connecticut's state tax revenues by about $100 million in 2003 and $181 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Connecticut's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Connecticut state revenue (individual income and sales taxes) rise by 1.3 percent.
- Given Connecticut's current tax base, the President's growth package can be expected to increase Connecticut state revenues (individual income and sales taxes) by roughly $100 million in 2003 and $181 million in 2004.

The dividend exclusion and expensing provisions would reduce Connecticut state tax revenues by about $76 million in 2003 and $81 million in 2004.

- Currently, Connecticut's individual income tax system "couples" to Federal adjusted gross income.
- According to Federal tax return data, Connecticut residents are expected to report about $1.6 billion in company stock dividends in 2003 and $1.8 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 4.3 percent, Connecticut state revenues would fall by about $71 million in 2003 and $76 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $5 million in revenue losses in each year, bringing the total losses to $76 million in 2003 and $81 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Delaware State Revenues
(February 21, 2003)

By raising economic growth in Delaware, the President's Jobs and Growth Initiative will raise Delaware's state tax revenues by about $8 million in 2003 and $14 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Delaware's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Delaware state revenue (individual income and sales taxes) rise by 1.1 percent.
- Given Delaware's current tax base, the President's growth package can be expected to increase Delaware state revenues (individual income and sales taxes) by roughly $8 million in 2003 and $14 million in 2004.

The dividend exclusion and expensing provisions would reduce Delaware state tax revenues by about $18 million in 2003 and $19 million in 2004.

- Currently, Delaware's individual income tax system "couples" to Federal adjusted gross income.
- According to Federal tax return data, Delaware residents are expected to report about $312 million in company stock dividends in 2003 and $336 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 5.4 percent, Delaware state revenues would fall by about $17 million in 2003 and $18 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $1 million in revenue losses in each year, bringing the total losses to $18 million in 2003 and $19 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Florida State Revenues
(February 21, 2003)

By raising economic growth in Florida, the President's Jobs and Growth Initiative will raise Florida's state tax revenues by about $171 million in 2003 and $310 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003.
- A reasonable assumption is that Florida's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Florida state revenue (sales taxes) rise by 1.2 percent.
- Given Florida's current tax base, the President's growth package can be expected to increase Florida state revenues (sales taxes) by roughly $171 million in 2003 and $310 million in 2004.

The President's growth package will have little effect on Florida state revenues because Florida imposes no individual income tax and the expensing provision will have a minimal effect on state corporate tax revenues.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Georgia State Revenues
(February 21, 2003)

By raising economic growth in Georgia, the President's Jobs and Growth Initiative will raise Georgia's state tax revenues by about $116 million in 2003 and $210 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Georgia's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Georgia state revenue (individual income and sales taxes) would also rise by about 1.0 percent.
- Given Georgia's current tax base, the President's growth package can be expected to increase Georgia state revenues (individual income and sales taxes) by roughly $116 million in 2003 and $210 million in 2004.

The dividend exclusion and expensing provisions would reduce Georgia state tax revenues by about $105 million in 2003 and $112 million in 2004.

- Currently, Georgia's individual income tax system "couples" to Federal adjusted gross income (AGI).
- Georgia's seniors currently may exclude $15,000 retirement-type income (taxable interest, IRA distributions, capital gains, dividends, etc) for 2003. Therefore, Georgia's lower-income seniors who receive dividends do not pay any state income taxes on them.
- According to Federal tax return data, Georgia residents are expected to report about $1.7 billion in company stock dividends in 2003 and $1.8 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 5.6 percent, Georgia state revenues would fall by about $95 million in 2003 and $102 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $10 million in revenue losses in each year, bringing the total losses to $105 million in 2003 and $112 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Hawaii State Revenues
(February 21, 2003)

By raising economic growth in Hawaii, the President's Jobs and Growth Initiative will raise Hawaii's state tax revenues by about $27 million in 2003 and $49 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Hawaii's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Hawaii state revenue (individual income and sales taxes) rise by 1.0 percent.
- Given Hawaii's current tax base, the President's growth package can be expected to increase Hawaii state revenues (individual income and sales taxes) by roughly $27 million in 2003 and $49 million in 2004.

The dividend exclusion and expensing provisions would reduce Hawaii state tax revenues by about $22 million in 2003 and $24 million in 2004.

- Currently, Hawaii's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, Hawaii residents are expected to report about $288 million in company stock dividends in 2003 and $310 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 7.1 percent, Hawaii state revenues would fall by about $20 million in 2003 and $22 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $2 million in revenue losses in each year, bringing the total losses to $22 million in 2003 and $24 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Idaho State Revenues
(February 21, 2003)

By raising economic growth in Idaho, the President's Jobs and Growth Initiative will raise Idaho's state tax revenues by about $21 million in 2003 and $38 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Idaho's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Idaho state revenue (individual income and sales taxes) rise by 1.2 percent.
- Given Idaho's current tax base, the President's growth package can be expected to increase Idaho state revenues (individual income and sales taxes) by roughly $21 million in 2003 and $38 million in 2004.

The dividend exclusion and expensing provisions would reduce Idaho state tax revenues by about $17 million in 2003 and $19 million in 2004.

- Currently, Idaho's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, Idaho residents are expected to report about $238 million in company stock dividends in 2003 and $256 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 6.5 percent, Idaho state revenues would fall by about $15 million in 2003 and $17 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $2 million in revenue losses in each year, bringing the total losses to $17 million in 2003 and $19 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Illinois State Revenues
(February 21, 2003)

By raising economic growth in Illinois, the President's Jobs and Growth Initiative will raise Illinois's state tax revenues by about $138 million in 2003 and $250 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Illinois's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Illinois state revenue (individual income and sales taxes) rise by 1.0 percent.
- Given Illinois's current tax base, the President's growth package can be expected to increase Illinois state revenues (individual income and sales taxes) by roughly $138 million in 2003 and $250 million in 2004.

The dividend exclusion and expensing provisions would reduce Illinois state tax revenues by about $115 million in 2003 and $123 million in 2004.

- Currently, Illinois's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, Illinois residents are expected to report about $3.7 billion in company stock dividends in 2003 and $4.0 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 2.8 percent, Illinois state revenues would fall by about $104 million in 2003 and $112 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $11 million in revenue losses in each year, bringing the total losses to $115 million in 2003 and $123 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Indiana State Revenues
(February 21, 2003)

By raising economic growth in Indiana, the President's Jobs and Growth Initiative will raise Indiana's state tax revenues by about $71 million in 2003 and $128 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Indiana's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Indiana state revenue (individual income and sales taxes) rise by 1.0 percent.
- Given Indiana's current tax base, the President's growth package can be expected to increase Indiana state revenues (individual income and sales taxes) by roughly $71 million in 2003 and $128 million in 2004.

The dividend exclusion and expensing provisions would reduce Indiana state tax revenues by about $40 million in 2003 and $43 million in 2004.

- Currently, Indiana's individual income tax system "couples" to Federal adjusted gross income.
- According to Federal tax return data, Indiana residents are expected to report about $1.1 billion in company stock dividends in 2003 and $1.2 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 3.2 percent, Indiana state revenues would fall by about $35 million in 2003 and $38 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $5 million in revenue losses in each year, bringing the total losses to $40 million in 2003 and $43 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Iowa State Revenues
(February 21, 2003)

By raising economic growth in Iowa, the President's Jobs and Growth Initiative will raise Iowa's state tax revenues by about $41 million in 2003 and $74 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Iowa's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Iowa state revenue (individual income and sales taxes) rise by 1.1 percent.
- Given Iowa's current tax base, the President's growth package can be expected to increase Iowa state revenues (individual income and sales taxes) by roughly $41 million in 2003 and $74 million in 2004.

The dividend exclusion and expensing provisions could reduce Iowa state tax revenues by about $30 million in 2003 and $32 million in 2004.

- Currently, Iowa's individual income tax system includes dividend income in the calculation of state adjusted gross income.
- According to Federal tax return data, Iowa residents are expected to report about $568 million in company stock dividends in 2003 and $612 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 4.5 percent, Iowa state revenues could fall by about $25 million in 2003 and $27 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $5 million in revenue losses in each year, bringing the total losses to $30 million in 2003 and $32 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Kansas State Revenues
(February 21, 2003)

By raising economic growth in Kansas, the President's Jobs and Growth Initiative will raise Kansas's state tax revenues by about $42 million in 2003 and $76 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Kansas's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Kansas state revenue (individual income and sales taxes) rise by 1.1 percent.
- Given Kansas's current tax base, the President's growth package can be expected to increase Kansas state revenues (individual income and sales taxes) by roughly $42 million in 2003 and $76 million in 2004.

The dividend exclusion and expensing provisions would reduce Kansas state tax revenues by about $35 million in 2003 and $37 million in 2004.

- Currently, Kansas's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, Kansas residents are expected to report about $619 million in company stock dividends in 2003 and $667 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 5.1 percent, Kansas state revenues would fall by about $32 million in 2003 and $34 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $3 million in revenue losses in each year, bringing the total losses to $35 million in 2003 and $37 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Kentucky State Revenues
(February 21, 2003)

By raising economic growth in Kentucky, the President's Jobs and Growth Initiative will raise Kentucky's state tax revenues by about $51 million in 2003 and $92 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Kentucky's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Kentucky state revenue (individual income and sales taxes) rise by 1.0 percent.
- Given Kentucky's current tax base, the President's growth package can be expected to increase Kentucky state revenues (individual income and sales taxes) by roughly $51 million in 2003 and $92 million in 2004.

The dividend exclusion and expensing provisions would reduce Kentucky state tax revenues by about $38 million in 2003 and $40 million in 2004.

- Currently, Kentucky's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, Kentucky residents are expected to report about $657 million in company stock dividends in 2003 and $707 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 5.2 percent, Kentucky state revenues would fall by about $34 million in 2003 and $36 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $4 million in revenue losses in each year, bringing the total losses to $38 million in 2003 and $40 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Louisiana State Revenues
(February 21, 2003)

By raising economic growth in Louisiana, the President's Jobs and Growth Initiative will raise Louisiana's state tax revenues by about $50 million in 2003 and $90 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Louisiana's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Louisiana state revenue (individual income and sales taxes) rise by 1.2 percent.
- Given Louisiana's current tax base, the President's growth package can be expected to increase Louisiana state revenues (individual income and sales taxes) by roughly $50 million in 2003 and $90 million in 2004.

The dividend exclusion and expensing provisions would reduce Louisiana state tax revenues by about $26 million in 2003 and $28 million in 2004.

- Currently, Louisiana's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, Louisiana residents are expected to report about $643 million in company stock dividends in 2003 and $693 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 3.3 percent, Louisiana state revenues would fall by about $21 million in 2003 and $23 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $5 million in revenue losses in each year, bringing the total losses to $26 million in 2003 and $28 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Maine State Revenues
(February 21, 2003)

By raising economic growth in Maine, the President's Jobs and Growth Initiative will raise Maine's state tax revenues by about $24 million in 2003 and $43 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Maine's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Maine state revenue (individual income and sales taxes) rise by 1.2 percent.
- Given Maine's current tax base, the President's growth package can be expected to increase Maine state revenues (individual income and sales taxes) by roughly $24 million in 2003 and $43 million in 2004.

The dividend exclusion and expensing provisions would reduce Maine state tax revenues by about $24 million in 2003 and $25 million in 2004.

- Currently, Maine's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, Maine residents are expected to report about $307 million in company stock dividends in 2003 and $330 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 7.0 percent, Maine state revenues would fall by about $22 million in 2003 and $23 million in 2004.
- Expensing provisions for small businesses in the President's plan would add another $2 million in revenue losses in each year, bringing the total losses to $24 million and $25 million in 2003 and 2004, respectively.

Because Maine also couples to the Federal standard deduction, marriage penalty relief will also reduce Maine tax revenues.

- The President's proposal sets the standard deduction for joint filers to twice the standard deduction for single filers immediately (rather than in 2009, as under current law).
- One solution would be for Maine to not couple to the standard deduction. Most other states do not couple to the standard deduction.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Maryland State Revenues
(February 21, 2003)

By raising economic growth in Maryland, the President's Jobs and Growth Initiative will raise Maryland's state tax revenues by about $85 million in 2003 and $155 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Maryland's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Maryland state revenue (individual income and sales taxes) rise by 1.2 percent.
- Given Maryland's current tax base, the President's growth package can be expected to increase Maryland state revenues (individual income and sales taxes) by roughly $85 million in 2003 and $155 million in 2004.

The dividend exclusion and expensing provisions would reduce Maryland state tax revenues by about $71 million in 2003 and $76 million in 2004.

- Currently, Maryland's individual income tax system "couples" to Federal adjusted gross income.
- According to Federal tax return data, Maryland residents are expected to report about $1.6 billion in company stock dividends in 2003 and $1.7 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 4.2 percent, Maryland state revenues would fall by about $66 million in 2003 and $71 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $5 million in revenue losses in each year, bringing the total losses to $71 million in 2003 and $76 million in 2004.

Maryland county governments generally impose an individual income tax equal to a fraction of state individual income tax liability. The dividend exclusion and expensing provisions would also reduce these county individual income tax revenues.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Massachusetts State Revenues
(February 21, 2003)

By raising economic growth in Massachusetts, the President's Jobs and Growth Initiative will raise Massachusetts's state tax revenues by about $163 million in 2003 and $294 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Massachusetts's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Massachusetts state revenue (individual income and sales taxes) rise by 1.2 percent.
- Given Massachusetts's current tax base, the President's growth package can be expected to increase Massachusetts state revenues (individual income and sales taxes) by roughly $163 million in 2003 and $294 million in 2004.

The dividend exclusion and expensing provisions could reduce Massachusetts state tax revenues by about $134 million in 2003 and $144 million in 2004.

- Currently, Massachusetts's individual income tax system includes dividend income in the calculation of state adjusted gross income.
- According to Federal tax return data, Massachusetts residents are expected to report about $2.5 billion in company stock dividends in 2003 and $2.7 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 5.0 percent, Massachusetts state revenues could fall by about $124 million in 2003 and $134 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $10 million in revenue losses in each year, bringing the total losses to $134 million in 2003 and $144 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Michigan State Revenues
(February 21, 2003)

By raising economic growth in Michigan, the President's Jobs and Growth Initiative will raise Michigan's state tax revenues by about $142 million in 2003 and $257 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Michigan's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Michigan state revenue (individual income and sales taxes) rise by 1.0 percent.
- Given Michigan's current tax base, the President's growth package can be expected to increase Michigan state revenues (individual income and sales taxes) by roughly $142 million in 2003 and $257 million in 2004.

The dividend exclusion and expensing provisions would reduce Michigan state tax revenues by about $101 million in 2003 and $109 million in 2004.

- Currently, Michigan's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, Michigan residents are expected to report about $2.4 billion in company stock dividends in 2003 and $2.6 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 3.9 percent, Michigan state revenues would fall by about $95 million in 2003 and $103 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $6 million in revenue losses in each year, bringing the total losses to $101 million in 2003 and $109 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Minnesota State Revenues
(February 21, 2003)

By raising economic growth in Minnesota, the President's Jobs and Growth Initiative will raise Minnesota's state tax revenues by about $105 million in 2003 and $191 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Minnesota's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Minnesota state revenue (individual income and sales taxes) rise by 1.1 percent.
- Given Minnesota's current tax base, the President's growth package can be expected to increase Minnesota state revenues (individual income and sales taxes) by roughly $105 million in 2003 and $191 million in 2004.

The dividend exclusion and expensing provisions would reduce Minnesota state tax revenues by about $90 million in 2003 and $96 million in 2004.

- Currently, Minnesota's individual income tax system "couples" to Federal taxable income.
- According to Federal tax return data, Minnesota residents are expected to report about $1.2 billion in company stock dividends in 2003 and $1.3 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 6.6 percent, Minnesota state revenues would fall by about $81 million in 2003 and $87 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $9 million in revenue losses in each year, bringing the total losses to $90 million in 2003 and $96 million in 2004.

Because the Federal standard deduction is used to calculate Federal taxable income, marriage penalty relief will also reduce Minnesota tax revenues by up to $39 million in 2003 and 2004.

- The President's proposal sets the standard deduction for joint filers to twice the standard deduction for single filers immediately (rather than in 2009, as under current law). This makes it more attractive to joint filers to take the standard deduction, leading to a $39 million loss per year in tax revenues for the State.
- One solution would be for Minnesota to not couple to Federal taxable income. Most other states do not couple to taxable income but to adjusted gross income (AGI) instead.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Mississippi State Revenues
(February 21, 2003)

By raising economic growth in Mississippi, the President's Jobs and Growth Initiative will raise Mississippi's state tax revenues by about $37 million in 2003 and $68 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Mississippi's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Mississippi state revenue (individual income and sales taxes) rise by 1.1 percent.
- Given Mississippi's current tax base, the President's growth package can be expected to increase Mississippi state revenues (individual income and sales taxes) by roughly $37 million in 2003 and $68 million in 2004.

The dividend exclusion and expensing provisions could reduce Mississippi state tax revenues by about $16 million in 2003 and $17 million in 2004.

- Currently, Mississippi's individual income tax system includes dividend income in the calculation of state adjusted gross income.
- According to Federal tax return data, Mississippi residents are expected to report about $304 million in company stock dividends in 2003 and $327 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 4.7 percent, Mississippi state revenues could fall by about $14 million in 2003 and $15 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $2 million in revenue losses in each year, bringing the total losses to $16 million in 2003 and $17 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Missouri State Revenues
(February 21, 2003)

By raising economic growth in Missouri, the President's Jobs and Growth Initiative will raise Missouri's state tax revenues by about $73 million in 2003 and $133 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Missouri's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Missouri state revenue (individual income and sales taxes) rise by 1.1 percent.
- Given Missouri's current tax base, the President's growth package can be expected to increase Missouri state revenues (individual income and sales taxes) by roughly $73 million in 2003 and $133 million in 2004.

The dividend exclusion and expensing provisions would reduce Missouri state tax revenues by about $65 million in 2003 and $69 million in 2004.

- Currently, Missouri's individual income tax system "couples" to Federal adjusted gross income.
- According to Federal tax return data, Missouri residents are expected to report about $1.3 billion in company stock dividends in 2003 and $1.4 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 4.7 percent, Missouri state revenues would fall by about $59 million in 2003 and $63 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $6 million in revenue losses in each year, bringing the total losses to $65 million in 2003 and $69 million in 2004.

Because the Federal standard deduction is used as the state standard deduction as well, marriage penalty relief will reduce Missouri tax revenues.

- The President's proposal sets the standard deduction for joint filers to twice the standard deduction for single filers immediately (rather than in 2009, as under current law). This makes it more attractive to joint filers to take the standard deduction, leading to a $39 million loss per year in tax revenues for the State.
- One solution would be for Missouri to not couple to the Federal taxable standard deduction. Most other states do not couple to the Federal tax code in that way.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Montana State Revenues
(February 21, 2003)

By raising economic growth in Montana, the President's Jobs and Growth Initiative will raise Montana's state tax revenues by about $7 million in 2003 and $13 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Montana's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Montana state revenue (individual income and sales taxes) would also rise by about 1.3 percent.
- Given Montana's current tax base, the President's growth package can be expected to increase Montana state revenues (individual income and sales taxes) by roughly $7 million in 2003 and $13 million in 2004.

The dividend exclusion and expensing provisions would reduce Montana state tax revenues by about $16 million in 2003 and $17 million in 2004.

- Currently, Montana's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, Montana residents are expected to report about $198 billion in company stock dividends in 2003 and $213 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 7.4 percent, Montana state revenues would fall by about $15 million in 2003 and $16 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $1 million in revenue losses in each year, bringing the total losses to $16 million in 2003 and $17 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Nebraska State Revenues
(February 21, 2003)

By raising economic growth in Nebraska, the President's Jobs and Growth Initiative will raise Nebraska's state tax revenues by about $28 million in 2003 and $50 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Nebraska's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Nebraska state revenue (individual income and sales taxes) rise by 1.2 percent.
- Given Nebraska's current tax base, the President's growth package can be expected to increase Nebraska state revenues (individual income and sales taxes) by roughly $28 million in 2003 and $50 million in 2004.

The dividend exclusion and expensing provisions would reduce Nebraska state tax revenues by about $22 million in 2003 and $24 million in 2004.

- Currently, Nebraska's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, Nebraska residents are expected to report about $360 million in company stock dividends in 2003 and $388 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 5.6 percent, Nebraska state revenues would fall by about $20 million in 2003 and $22 million in 2004.
- Expensing provisions for small businesses in the President's plan would add another $2 million in revenue losses in each year, bringing the total losses to $22 million and $24 million in 2003 and 2004, respectively.

Because Nebraska also couples to the Federal standard deduction, marriage penalty relief will also reduce Nebraska tax revenues.

- The President's proposal sets the standard deduction for joint filers to twice the standard deduction for single filers immediately (rather than in 2009, as under current law).
- One solution would be for Nebraska to not couple to the standard deduction. Most other states do not couple to the standard deduction.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Nevada State Revenues
(February 21, 2003)

By raising economic growth in Nevada, the President's Jobs and Growth Initiative will raise Nevada's state tax revenues by about $27 million in 2003 and $48 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003.
- A reasonable assumption is that Nevada's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Nevada state revenue (sales taxes) rise by 1.3 percent.
- Given Nevada's current tax base, the President's growth package can be expected to increase Nevada state revenues (individual income and sales taxes) by roughly $27 million in 2003 and $48 million in 2004.

The President's growth package will have little effect on Nevada state revenues because Nevada imposes no corporate or individual income tax.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on New Jersey State Revenues
(February 21, 2003)

By raising economic growth in New Jersey, the President's Jobs and Growth Initiative will raise New Jersey's state tax revenues by about $179 million in 2003 and $324 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that New Jersey's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, New Jersey state revenue (individual income and sales taxes) rise by 1.3 percent.
- Given New Jersey's current tax base, the President's growth package can be expected to increase New Jersey state revenues (individual income and sales taxes) by roughly $179 million in 2003 and $324 million in 2004.

The dividend exclusion and expensing provisions could reduce New Jersey state tax revenues by about $149 million in 2003 and $159 million in 2004.

- Currently, New Jersey's individual income tax system includes dividend income in the calculation of state adjusted gross income.
- According to Federal tax return data, New Jersey residents are expected to report about $3.1 billion in company stock dividends in 2003 and $3.3 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 4.4 percent, New Jersey state revenues could fall by about $135 million in 2003 and $145 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $14 million in revenue losses in each year, bringing the total losses to $149 million in 2003 and $159 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on New Mexico State Revenues
(February 21, 2003)

By raising economic growth in New Mexico, the President's Jobs and Growth Initiative will raise New Mexico's state tax revenues by about $32 million in 2003 and $58 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that New Mexico's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, New Mexico state revenue (individual income and sales taxes) rise by 1.3 percent.
- Given New Mexico's current tax base, the President's growth package can be expected to increase New Mexico state revenues (individual income and sales taxes) by roughly $32 million in 2003 and $58 million in 2004.

The dividend exclusion and expensing provisions would reduce New Mexico state tax revenues by about $13 million in 2003 and $14 million in 2004.

- Currently, New Mexico's individual income tax system "couples" to Federal adjusted gross income.
- According to Federal tax return data, New Mexico residents are expected to report about $248 million in company stock dividends in 2003 and $267 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 4.4 percent, New Mexico state revenues would fall by about $11 million in 2003 and $12 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $2 million in revenue losses in each year, bringing the total losses to $13 million in 2003 and $14 million in 2004.

Because the Federal standard deduction is used as the state standard deduction as well, marriage penalty relief will also reduce New Mexico tax revenues.

- The President's proposal sets the standard deduction for joint filers to twice the standard deduction for single filers immediately (rather than in 2009, as under current law). This makes it more attractive to joint filers to take the standard deduction.
- One solution would be for New Mexico to not couple to the Federal standard deduction. Most other states do not couple to the Federal tax code in that way.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on New York State Revenues
(February 21, 2003)

By raising economic growth in New York, the President's Jobs and Growth Initiative will raise New York's state tax revenues by about $413 million in 2003 and $746 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that New York's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, New York state revenue (individual income and sales taxes) rise by 1.2 percent.
- Given New York's current tax base, the President's growth package can be expected to increase New York state revenues (individual income and sales taxes) by roughly $413 million in 2003 and $746 million in 2004.

The dividend exclusion and expensing provisions would reduce New York state tax revenues by about $424 million in 2003 and $454 million in 2004.

- Currently, New York's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, New York residents are expected to report about $6.3 billion in company stock dividends in 2003 and $6.8 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 6.2 percent, New York state revenues would fall by about $393 million in 2003 and $423 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $31 million in each year to revenue losses, bringing the total losses to $424 million and $454 million in 2003 and 2004, respectively.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on North Carolina State Revenues
(February 21, 2003)

By raising economic growth in North Carolina, the President's Jobs and Growth Initiative will raise North Carolina's state tax revenues by about $120 million in 2003 and $217 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that North Carolina's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, North Carolina state revenue (individual income and sales taxes) rise by 1.1 percent.
- Given North Carolina's current tax base, the President's growth package can be expected to increase North Carolina state revenues (individual income and sales taxes) by roughly $120 million in 2003 and $217 million in 2004.

The dividend exclusion and expensing provisions would reduce North Carolina state tax revenues by about $106 million in 2003 and $113 million in 2004.

- Currently, North Carolina's individual income tax system "couples" to Federal taxable income.
- According to Federal tax return data, North Carolina residents are expected to report about $1.6 billion in company stock dividends in 2003 and $1.8 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 5.7 percent, North Carolina state revenues would fall by about $94 million in 2003 and $101 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $12 million in revenue losses in each year, bringing the total losses to $106 million in 2003 and $113 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on North Dakota State Revenues
(February 21, 2003)

By raising economic growth in North Dakota, the President's Jobs and Growth Initiative will raise North Dakota's state tax revenues by about $7 million in 2003 and $13 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that North Dakota's GDP growth will rise by this percentage
- as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, North Dakota state revenue (individual income and sales taxes) rise by 1.3 percent.
- Given North Dakota's current tax base, the President's growth package can be expected to increase North Dakota state revenues (individual income and sales taxes) by roughly $7 million in 2003 and $13 million in 2004.

The dividend exclusion and expensing provisions would reduce North Dakota state tax revenues by about $5 million in both 2003 and 2004.

- Currently, North Dakota's individual income tax system "couples" to Federal taxable income.
- According to Federal tax return data, North Dakota residents are expected to report about $98 million in company stock dividends in 2003 and $105 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 3.9 percent, North Dakota state revenues would fall by about $4 million in both 2003 and 2004.
- Expensing provisions for small businesses in the President's plan add another $1 million in revenue losses in each year, bringing the total losses to $5 million in 2003 and 2004.

Because the Federal standard deduction is used to calculate Federal taxable income, marriage penalty relief will also reduce North Dakota tax revenues by up to $4 million in both 2003 and 2004.

- The President's proposal sets the standard deduction for joint filers to twice the standard deduction for single filers immediately (rather than in 2009, as under current law). This makes it more attractive for joint filers to take the standard deduction, leading to a $3 million loss per year in tax revenues for the State.
- One solution would be for North Dakota to not couple to Federal taxable income. Most other states do not couple to taxable income but to adjusted gross income (AGI) instead.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Ohio State Revenues
(February 21, 2003)

By raising economic growth in Ohio, the President's Jobs and Growth Initiative will raise Ohio's state tax revenues by about $185 million in 2003 and $336 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Ohio's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Ohio state revenue (individual income and sales taxes) rise by 1.3 percent.
- Given Ohio's current tax base, the President's growth package can be expected to increase Ohio state revenues (individual income and sales taxes) by roughly $185 million in 2003 and $336 million in 2004.

The dividend exclusion and expensing provisions would reduce Ohio state tax revenues by about $179 million in 2003 and $192 million in 2004.

- Currently, Ohio's individual income tax system "couples" to Federal adjusted gross income.
- According to Federal tax return data, Ohio residents are expected to report about $2.7 billion in company stock dividends in 2003 and $2.9 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 6.1 percent, Ohio state revenues would fall by about $163 million in 2003 and $176 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $16 million in revenue losses in each year, bringing the total losses to $179 million in 2003 and $192 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Oklahoma State Revenues
(February 21, 2003)

By raising economic growth in Oklahoma, the President's Jobs and Growth Initiative will raise Oklahoma's state tax revenues by about $39 million in 2003 and $71 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Oklahoma's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Oklahoma state revenue (individual income and sales taxes) rise by 1.0 percent.
- Given Oklahoma's current tax base, the President's growth package can be expected to increase Oklahoma state revenues (individual income and sales taxes) by roughly $39 million in 2003 and $71 million in 2004.

The dividend exclusion and expensing provisions would reduce Oklahoma state tax revenues by about $31 million in 2003 and $33 million in 2004.

- Currently, Oklahoma's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, Oklahoma residents are expected to report about $466 million in company stock dividends in 2003 and $502 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 6.0 percent, Oklahoma state revenues would fall by about $28 million in 2003 and $30 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $3 million in revenue losses in each year, bringing the total losses to $31 million in 2003 and $33 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Oregon State Revenues
(February 21, 2003)

By raising economic growth in Oregon, the President's Jobs and Growth Initiative will raise Oregon's state tax revenues by about $44 million in 2003 and $79 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Oregon's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Oregon state revenue (individual income and sales taxes) rise by 1.0 percent.
- Given Oregon's current tax base, the President's growth package can be expected to increase Oregon state revenues (individual income and sales taxes) by roughly $44 million in 2003 and $79 million in 2004.

The dividend exclusion and expensing provisions would reduce Oregon state tax revenues by about $67 million in 2003 and $72 million in 2004.

- Currently, Oregon's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, Oregon residents are expected to report about $845 million in company stock dividends in 2003 and $910 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 7.4 percent, Oregon state revenues would fall by about $62 million in 2003 and $67 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $5 million in revenue losses in each year, bringing the total losses to $67 million in 2003 and $72 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Pennsylvania State Revenues
(February 21, 2003)

By raising economic growth in Pennsylvania, the President's Jobs and Growth Initiative will raise Pennsylvania's state tax revenues by about $168 million in 2003 and $305 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Pennsylvania's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Pennsylvania state revenue (individual income and sales taxes) rise by 1.2 percent.
- Given Pennsylvania's current tax base, the President's growth package can be expected to increase Pennsylvania state revenues (individual income and sales taxes) by roughly $168 million in 2003 and $305 million in 2004.

The dividend exclusion and expensing provisions could reduce Pennsylvania state tax revenues by about $108 million in 2003 and $116 million in 2004.

- Currently, Pennsylvania's individual income tax system includes dividend income in the calculation of state adjusted gross income.
- According to Federal tax return data, Pennsylvania residents are expected to report about $3.7 billion in company stock dividends in 2003 and $4.0 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 2.6 percent, Pennsylvania state revenues could fall by about $97 million in 2003 and $105 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $11 million in revenue losses in each year, bringing the total losses to $108 million in 2003 and $116 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Rhode Island State Revenues
(February 21, 2003)

By raising economic growth in Rhode Island, the President's Jobs and Growth Initiative will raise Rhode Island's state tax revenues by about $21 million in 2003 and $39 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Rhode Island's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Rhode Island state revenue (individual income and sales taxes) rise by 1.3 percent.
- Given Rhode Island's current tax base, the President's growth package can be expected to increase Rhode Island state revenues (individual income and sales taxes) by roughly $21 million in 2003 and $39 million in 2004.

The dividend exclusion and expensing provisions would reduce Rhode Island state tax revenues by about $15 million in 2003 and $17 million in 2004.

- Currently, Rhode Island's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, Rhode Island residents are expected to report about $254 million in company stock dividends in 2003 and $273 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 5.7 percent, Rhode Island state revenues would fall by about $14 million in 2003 and $16 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $1 million in revenue losses in each year, bringing the total losses to $15 million in 2003 and $17 million in 2004.

Because the Federal standard deduction is used as the state standard deduction as well, marriage penalty relief will also reduce Rhode Island tax revenues.

- The President's proposal sets the standard deduction for joint filers to twice the standard deduction for single filers immediately (rather than in 2009, as under current law). This makes it more attractive to joint filers to take the standard deduction.
- One solution would be for Rhode Island to not couple to the Federal standard deduction. Most other states do not couple to the Federal tax code in that way.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on South Carolina State Revenues
(February 21, 2003)

By raising economic growth in South Carolina, the President's Jobs and Growth Initiative will raise South Carolina's state tax revenues by about $52 million in 2003 and $94 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that South Carolina's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, South Carolina state revenue (individual income and sales taxes) rise by 1.1 percent.
- Given South Carolina's current tax base, the President's growth package can be expected to increase South Carolina state revenues (individual income and sales taxes) by roughly $52 million in 2003 and $94 million in 2004.

The dividend exclusion and expensing provisions would reduce South Carolina state tax revenues by about $44 million in 2003 and $48 million in 2004.

- Currently, South Carolina's individual income tax system "couples" to Federal taxable income.
- According to Federal tax return data, South Carolina residents are expected to report about $717 million in company stock dividends in 2003 and $772 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 5.6 percent, South Carolina state revenues would fall by about $40 million in 2003 and $44 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $4 million in revenue losses in each year, bringing the total losses to $44 million in 2003 and $48 million in 2004.

Because the Federal standard deduction is used to calculate Federal taxable income, marriage penalty relief will also reduce South Carolina tax revenues by up to $20 million in 2003 and 2004.

- The President's proposal sets the standard deduction for joint filers to twice the standard deduction for single filers immediately (rather than in 2009, as under current law). This makes it more attractive for joint filers to take the standard deduction, leading to a $20 million loss per year in tax revenues for the State.
- One solution would be for South Carolina to not couple to Federal taxable income. Most other states do not couple to taxable income but to adjusted gross income (AGI) instead.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on South Dakota State Revenues
(February 21, 2003)

By raising economic growth in South Dakota, the President's Jobs and Growth Initiative will raise South Dakota's state tax revenues by about $5 million in 2003 and $9 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003.
- A reasonable assumption is that South Dakota's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, South Dakota state revenue (sales taxes) rise by 1.0 percent.
- Given South Dakota's current tax base, the President's growth package can be expected to increase South Dakota state revenues (sales taxes) by roughly $5 million in 2003 and $9 million in 2004.

The President's growth package will have little effect on South Dakota state revenues because South Dakota imposes no corporate or individual income tax.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Tennessee State Revenues
(February 21, 2003)

By raising economic growth in Tennessee, the President's Jobs and Growth Initiative will raise Tennessee's state tax revenues by about $51 million in 2003 and $93 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Tennessee's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Tennessee state revenue (sales taxes) rise by 1.1 percent.
- Given Tennessee's current tax base, the President's growth package can be expected to increase Tennessee state revenues (sales taxes) by roughly $51 million in 2003 and $93 billion in 2004.

The dividend exclusion and expensing provisions could reduce Tennessee state tax revenues by about $58 million in 2003 and $62 million in 2004.

- Currently, Tennessee's individual income tax system taxes interest and dividend income.
- According to Federal tax return data, Tennessee residents are expected to report about $943 million in company stock dividends in 2003 and $1,016 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 5.6 percent, Tennessee state revenues could fall by about $52 million in 2003 and $56 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $6 million in revenue losses in each year, bringing the total losses to $58 million in 2003 and $62 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Texas State Revenues
(February 21, 2003)

By raising economic growth in Texas, the President's Jobs and Growth Initiative will raise Texas's state tax revenues by about $157 million in 2003 and $285 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003.
- A reasonable assumption is that Texas's GDP growth will rise by this amount as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Texas state revenue (sales taxes) rise by 1.1 percent.
- Given Texas's current tax base, the President's growth package can be expected to increase Texas state revenues (sales taxes) by roughly $157 million in 2003 and $285 million in 2004.

The President's growth package will have little effect on Texas state revenues because Texas imposes no individual income tax and the expensing provision will have a minimal effect on state corporate income tax revenues.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Utah State Revenues
(February 21, 2003)

By raising economic growth in Utah, the President's Jobs and Growth Initiative will raise Utah's state tax revenues by about $33 million in 2003 and $60 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Utah's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Utah state revenue (individual income and sales taxes) rise by 1.1 percent.
- Given Utah's current tax base, the President's growth package can be expected to increase Utah state revenues (individual income and sales taxes) by roughly $33 million in 2003 and $60 million in 2004.

The dividend exclusion and expensing provisions would reduce Utah state tax revenues by about $18 million in 2003 and $19 million in 2004.

- Currently, Utah's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, Utah residents are expected to report about $335 million in company stock dividends in 2003 and $360 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 4.8 percent, Utah state revenues would fall by about $16 million in 2003 and $17 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $2 million in revenue losses in each year, bringing the total losses to $18 million in 2003 and $19 million in 2004.

Because the Federal standard deduction is used as the state standard deduction as well, marriage penalty relief will also reduce Utah tax revenues.

- The President's proposal sets the standard deduction for joint filers to twice the standard deduction for single filers immediately (rather than in 2009, as under current law). This makes it more attractive to joint filers to take the standard deduction.
- One solution would be for Utah to not couple to the Federal standard deduction. Most other states do not couple to the Federal tax code in that way.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Vermont State Revenues
(February 21, 2003)

By raising economic growth in Vermont, the President's Jobs and Growth Initiative will raise Vermont's state tax revenues by about $9 million in 2003 and $17 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Vermont's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Vermont state revenue (individual income and sales taxes) rise by 1.3 percent.
- Given Vermont's current tax base, the President's growth package can be expected to increase Vermont state revenues (individual income and sales taxes) by roughly $9 million in 2003 and $17 million in 2004.

The dividend exclusion and expensing provisions would reduce Vermont state tax revenues by about $13 million in both 2003 and 2004.

- Currently, Vermont's individual income tax system "couples" to Federal taxable income.
- According to Federal tax return data, Vermont residents are expected to report about $202 million in company stock dividends in 2003 and $217 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 5.7 percent, Vermont state revenues would fall by about $12 million in both 2003 and 2004.
- Expensing provisions for small businesses in the President's plan add another $1 million in revenue losses in each year, bringing the total losses to $13 million in both 2003 and 2004.

Because the Federal standard deduction is used to calculate Federal taxable income, marriage penalty relief will also reduce Vermont tax revenues by up to $3 million in 2003 and 2004.

- The President's proposal sets the standard deduction for joint filers to twice the standard deduction for single filers immediately (rather than in 2009, as under current law). This makes it more attractive to joint filers to take the standard deduction, leading to a $3 million loss per year in tax revenues for the State.
- One solution would be for Vermont to not couple to Federal taxable income. Most other states do not couple to taxable income but to adjusted gross income (AGI) instead.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Virginia State Revenues
(February 21, 2003)

By raising economic growth in Virginia, the President's Jobs and Growth Initiative will raise Virginia's state tax revenues by about $107 million in 2003 and $193 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Virginia's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Virginia state revenue (individual income and sales taxes) rise by 1.1 percent.
- Given Virginia's current tax base, the President's growth package can be expected to increase Virginia state revenues (individual income and sales taxes) by roughly $107 million in 2003 and $193 million in 2004.

The dividend exclusion and expensing provisions would reduce Virginia state tax revenues by about $109 million in 2003 and $117 million in 2004.

- Currently, Virginia's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, Virginia residents are expected to report about $1.9 billion in company stock dividends in 2003 and $2.1 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 5.2 percent, Virginia state revenues would fall by about $101 million in 2003 and $109 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $8 million in revenue losses in each year, bringing the total losses to $109 million in 2003 and $117 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Washington State Revenues
(February 21, 2003)

By raising economic growth in Washington, the President's Jobs and Growth Initiative will raise Washington's state tax revenues by about $91 million in 2003 and $165 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003.
- A reasonable assumption is that Washington's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Washington state revenue (sales taxes) rise by 1.1 percent.
- Given Washington's current tax base, the President's growth package can be expected to increase Washington state revenues (sales taxes) by roughly $91 million in 2003 and $165 million in 2004.

The President's growth package will have little effect on Washington state revenues because Washington imposes no corporate or individual income tax.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on West Virginia State Revenues
(February 21, 2003)

By raising economic growth in West Virginia, the President's Jobs and Growth Initiative will raise West Virginia's state tax revenues by about $21 million in 2003 and $38 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that West Virginia's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, West Virginia state revenue (individual income and sales taxes) rise by 1.1 percent.
- Given West Virginia's current tax base, the President's growth package can be expected to increase West Virginia state revenues (individual income and sales taxes) by roughly $21 million in 2003 and $38 million in 2004.

The dividend exclusion and expensing provisions would reduce West Virginia state tax revenues by about $14 million in 2003 and $15 million in 2004.

- Currently, West Virginia's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, West Virginia residents are expected to report about $242 million in company stock dividends in 2003 and $260 million in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 5.1 percent, West Virginia state revenues would fall by about $12 million in 2003 and $13 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $2 million in revenue losses in each year, bringing the total losses to $14 million in 2003 and $15 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Wisconsin State Revenues
(February 21, 2003)

By raising economic growth in Wisconsin, the President's Jobs and Growth Initiative will raise Wisconsin's state tax revenues by about $101 million in 2003 and $182 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003 and 0.8 percentage point in 2004.
- A reasonable assumption is that Wisconsin's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Wisconsin state revenue (individual income and sales taxes) rise by 1.2 percent.
- Given Wisconsin's current tax base, the President's growth package can be expected to increase Wisconsin state revenues (individual income and sales taxes) by roughly $101 million in 2003 and $182 million in 2004.

The dividend exclusion and expensing provisions would reduce Wisconsin state tax revenues by about $79 million in 2003 and $85 million in 2004.

- Currently, Wisconsin's individual income tax system "couples" to Federal adjusted gross income (AGI).
- According to Federal tax return data, Wisconsin residents are expected to report about $1.3 billion in company stock dividends in 2003 and $1.4 billion in 2004 that would be excludable under the proposal.
- Assuming this income is taxed at an effective state rate of about 5.6 percent, Wisconsin state revenues would fall by about $72 million in 2003 and $78 million in 2004.
- Expensing provisions for small businesses in the President's plan add another $7 million in revenue losses in each year, bringing the total losses to $79 million in 2003 and $85 million in 2004.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.

Impact of President's Jobs Creation and Growth Package on Wyoming State Revenues
(February 21, 2003)

By raising economic growth in Wyoming, the President's Jobs and Growth Initiative will raise Wyoming's state tax revenues by about $4 million in 2003 and $7 million in 2004.

- The President's plan will raise GDP growth by about 1.0 percentage point in 2003.
- A reasonable assumption is that Wyoming's GDP growth will rise by this percentage as well.
- Estimates suggest that for each 1 percentage point increase in state GDP, Wyoming state revenue (sales taxes) rise by 0.9 percent.
- Given Wyoming's current tax base, the President's growth package can be expected to increase Wyoming state revenues (sales taxes) by roughly $4 million in 2003 and $7 million in 2004.

The President's growth package will have little effect on Wyoming state revenues because Wyoming imposes no corporate or individual income tax.

The dividend exclusion does not change the tax treatment of state and local municipal bonds, but, by reducing the tax on equity, the exclusion would make bonds relatively less attractive.

- The change in the relative attractiveness of municipal bonds would have a modest effect on municipal bond yields and state borrowing costs.
- Investors typical hold municipal bonds for different reasons than stocks. Municipal bonds are generally considered a secure investment with stable returns, while stocks are riskier.